

MINUTES

STATE BUILDING COMMISSION MEETING

MAY 13, 2010

The State Building Commission met this day at 11:00 a.m. in House Hearing Room 30 of the Legislative Plaza, Nashville, Tennessee, with the following State Building Commission members and Departments present.

11:23 a.m.	Department of Education	Assistant Commissioner Ralph Bennett
11:24 a.m.	Department of Environment and Conservation	Assistant Commissioner Larry Lance
11:25 a.m.	Department of Correction	Commissioner Gayle Ray
11:30 a.m.	University of Tennessee	Dr. Jan Simek
11:31 a.m.	Tennessee Board of Regents	Dr. Charles Manning
11:45 a.m.	Department of Finance and Administration	
11:55 a.m.	State Building Commission	

STATE BUILDING COMMISSION MEMBERS PRESENT

Dave Goetz, Commissioner, Department of Finance and Administration
Justin Wilson, Comptroller of the Treasury
David Lillard, State Treasurer
Tre Hargett, Secretary of State

STATE BUILDING COMMISSION MEMBERS ABSENT

Governor Phil Bredesen
Ron Ramsey, Lieutenant Governor
Kent Williams, Speaker of the House of Representatives

OTHERS PRESENT

Mike Fitts, State Architect
Georgia Martin, State Architect's Office
Alan Robertson, State Architect's Office
Janie Porter, Attorney General's Office
Jonathan Rummel, Secretary of State's Office
Joy Harris, Treasurer's Office
Melinda Parton, Comptroller's Office
Annette Crutchfield, Legislative Budget Office
Dick Tracy, Tennessee Board of Regents
Diane Uhler, Tennessee Board of Regents
John Carr, Finance and Administration
Nancy Blevins, Department of Finance and Administration
Felenceo Hill, Department of Finance and Administration

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Dottie Hagood, Real Property Administration
Alvin Payne, University of Tennessee
George Criss, University of Tennessee
Charles Peccolo, University of Tennessee
Debbie Inglis, Department of Correction
Tom Robinson, Department of Correction
David Collins, East Tennessee State University
Murray Crow, Department of Environment and Conservation
Carl Manka, Tennessee Board of Regents
David Gregory, Tennessee Board of Regents
Lori Ann Worthington, HFR Design
Steve Griffin, HFR Design
John Fisher, Fisher + Associates
Scott Boelscher, THEC
Mark Cherpack, Department of Finance and Administration
Bob Qualey, Real Property Administration
Laura Waynick, QE2
Doug Freeman, Real Property Administration
Gergor Smee, Smee + Busby Architects
Steve Gregory, Department of Treasury
Steve Curry, Department of Treasury
Steve Campbell, Wilbur Smith Associates
Van Medlock, Rogers Group, Inc.
Jim Dixey, Real Property Administration
Cindy Liddell, Comptroller's Office
Nick DePalma, Real Property Administration
Lynelle Jensen, Department of General Services
Don Johnson, Department of General Services

Commissioner Goetz called the meeting to order at 11:20 a.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

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DEPARTMENT OF EDUCATION

11:20 a.m.

Assistant Commissioner Ralph Bennett requested action on the following matter.

TENNESSEE SCHOOL FOR THE DEAF, KNOXVILLE, TENNESSEE

- 1) Approved a request to utilize Best Value Alternative Delivery Method for **Campus-Wide Code Compliance** at Tennessee School for the Deaf, Knoxville, Tennessee.

Estimated Project Cost: \$1,600,000.00
SBC Project No. 168/007-02-2007

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REPORT ON MANAGEMENT RISK FUND

- 1) Treasurer Lillard distributed a report on the recent flood damage to State buildings. He introduced Steve Curry, Assistant to the Treasurer for Programs, who stated that over 90 buildings had been affected, with most not significantly damaged. He said that the State has flood insurance with a \$5 million deductible, but that there are sufficient funds in the Risk Management Fund to cover that amount. He said they will work with TEMA and FEMA to hopefully recover some of the out-of-pocket expenses. Mr. Curry said that this is a preliminary report, but ultimately an insurance adjuster will review every building, issue a report, and establish a loss reserve for each building. That report will probably be available in late June. He said there will also be monies in the Risk Management Fund that will be made available for agencies, as needed.

Treasurer Lillard stated that the insurance company has agreed to make this one statewide deductible as one event, which would be helpful to the State. In the past with tornadoes, FEMA reimbursed 75% of the out-of-pocket expense, and it is hoped they will do the same with respect to the flooding. He asked agencies to make sure to take a hard look at their properties and operations and to report any damages to Risk Management. In response to Comptroller Wilson's question, Mr. Curry confirmed that anything in excess of the \$5 million would be paid by the insurance company, but pointed out that the State will suffer other damages besides property damage, such as roads and bridges.

EMERGENCY RESPONSE PROCESS

- 1) Mike Fitts was recognized and began a discussion relative to an emergency response process. He suggested doing something similar to the Data Center Emergency Maintenance Agreement, which empowers the Commissioner of Finance & Administration to approve an emergency and then have the action confirmed at the next Commission meeting.

After general discussion, Treasurer Lillard made a motion to approve granting the Commissioner of Finance & Administration authority to approve emergency repairs, as necessary, with the written concurrence of at least one of the Constitutional Officers, and to report promptly thereafter to the SBC members. The motion was seconded and passed without objection.

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DEPARTMENT OF ENVIRONMENT AND CONSERVATION

11:24 a.m.

Assistant Commissioner Larry Lance requested action on the following matters.

REELFOOT LAKE STATE PARK, LAKE COUNTY, TENNESSEE

- 1) Approved a request for a revision in scope and funding and acknowledgment of the source of funding from \$1,331,318.00 to \$1,662,047.67 (\$330,729.67 increase) for **New Cabins** at Reelfoot Lake State Park, Lake County, Tennessee.

Revised Estimated Project Cost: \$1,662,047.67
SBC Project No. 126/084-01-2009

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DEPARTMENT OF CORRECTION

11:25 a.m.

Commissioner Gayle Ray requested action on the following matters.

SOUTH CENTRAL CORRECTIONAL FACILITY, WAYNE COUNTY, TENNESSEE

- 1) Approved a request for a revision in estimated project cost from \$74,687,000.00 to \$127,136,800.00 (\$52,449,800.00 increase) and approval of Amendments 1 and 2 to the contract for **Private Management and Operation** of the South Central Correctional Facility, Wayne County, as operated by Corrections Corporation of America.

Comptroller Wilson questioned the SBC having the authority to approve the amendments. Mr. Fitts said that this was an unusual situation, but that the law requires it in the contract.

Revised Estimated Project Cost: \$127,136,800.00
SBC Project No. 142/018-01-2007

WEST TENNESSEE STATE PENITENTIARY, LAUDERDALE COUNTY, TENNESSEE

- 1) The Commission referred to the Subcommittee, with authority to act, a request for approval of a revision in scope and funding and acknowledgment of the source of funding from \$6,700,000.00 to \$10,500,000.00 (\$3,800,000.00 increase) for **Minimum Housing Expansion** at West Tennessee State Penitentiary, Lauderdale County, Tennessee.

Estimated Project Cost: \$6,700,000.00
SBC Project No. 142/022-01-2007

SPECIAL ITEM

- 1) Commissioner Ray brought up from the floor an emergency easement request at Charles Bass Correctional Complex/Cockrill Bend area for replacement and repairs of sewer lines damaged and displaced by the recent flood. Mr. Fitts stated that this is for approval of an easement, and is an example of the emergency process just approved by them. The Commission approved the request as presented.

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UNIVERSITY OF TENNESSEE

11:30 a.m.

Dr. Jan Simek requested action on the following matter.

UNIVERSITY OF TENNESSEE, KNOXVILLE, TENNESSEE

- 1) Approved a request to fully plan a project for **Volleyball & Indoor Track Facility** at the University of Tennessee, Knoxville, with selection of a designer referred to the Subcommittee, with authority to act.

Estimated Project Cost:	\$18,000,000.00
Estimated Planning Cost:	\$ 800,000.00
<i>SBC Project No.</i>	<i>540/009-29-2010</i>

DISCUSSION OF BIDS

- 1) **University of Tennessee Knoxville**
(Cherokee Farms Infrastructure Improvements)
SBC Project No. 540/009-04-2007
Bid date: May 6, 2010
SBC Action: No action required

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TENNESSEE BOARD OF REGENTS

11:31 a.m.

Chancellor Manning thanked Mike Fitts for his help to the Tennessee Board of Regents over the years. He then requested action on the following matters.

Statewide

- 1) The Commission referred to the Subcommittee, with authority to act, approval to select Statewide Commissioning Agents, and acknowledgment of source of funding, for **Commissioning Agent Master Contracts Statewide**, based upon Proposals received March 16, 2010.

Estimated Project Cost:		\$150,000.00
SBC Project No.	166/000-05-2009	

Middle Tennessee State University, Murfreesboro, Tennessee

- 1) Chancellor Manning stated they were deferring a request for approval of a project, acknowledgment of source of funding, and approval to issue a request for proposals for a Construction Manager/General Contractor for **Parking Garage and Student Services** at Middle Tennessee State University in Murfreesboro, and selection of a designer to design and supervise the project.

Estimated Project Cost:		\$39,500,000.00
SBC Project No.	166/009-06-2010	

Tennessee State University, Nashville, Tennessee

- 1) Approved a request to change subcontractors on a project for **Power Plant Mechanical Update** at Tennessee State University in Nashville, Tennessee.

Estimated Project Cost:		\$ 3,110,000.00
SBC Project No.	166/001-02-2004	
- 2) Approved a request to change subcontractors on a project for **Football Practice Facility** at Tennessee State University in Nashville, Tennessee.

Estimated Project Cost:		\$ 3,600,000.00
SBC Project No.	166/001-03-2007	

University of Memphis, Memphis, Tennessee

- 1) Approved a request for a revision in estimated project cost and funding from \$4,940,000.00 to \$5,015,000.00 (a \$75,000.00 increase) and acknowledgement of source of funding for **Fume Hood Replacements** at the University of Memphis in Memphis, Tennessee.

Revised Estimated Project Cost: \$ 5,015,000.00
SBC Project No. 166/007-03-2004

- 2) Approved a request to fully plan a project and acknowledgment of source of funding for **Robison Hall Renovation** at the University of Memphis in Memphis, Tennessee.

Estimated Project Cost: \$4,850,000.00
Estimated Planning Cost: \$ 300,000.00
SBC Project No. 166/007-13-2009

Chattanooga State Community College, Chattanooga, Tennessee

- 1) Approved a request for a revision in estimated project cost and funding from \$1,890,000.00 to \$2,190,000.00 (a \$300,000.00 increase) and acknowledgement of source of funding for **Athletic Fields Upgrade** at Chattanooga State Community College in Chattanooga, Tennessee.

Revised Estimated Project Cost: \$2,190,000.00
SBC Project No. 166/012-04-2008

Northeast State Community College, Blountville, Tennessee

- 1) Approved a request for a revision in estimated project cost and funding from \$740,000.00 to \$825,000.00 (an \$85,000.00 increase) and acknowledgement of source of funding for **North Parking Lot Construction** at Northeast State Community College in Blountville, Tennessee, and authorization to award a construction contract to Summers-Taylor, Inc. in the amount of \$731,200.00 based upon the base bid and one alternate received April 28, 2010.

Revised Estimated Project Cost \$825,000.00
SBC Project No. 166/038-03-2008

- 2) Approved a project and acknowledgment of source of funding for **Boiler Replacements** at Northeast State Community College in Blountville, Tennessee, with selection of a designer referred to the Subcommittee, with authority to act.

Estimated Project Cost: \$483,000.00
SBC Project No. 166/038-03-2010

Walters State Community College, Morristown, Tennessee

- 1) Approved a request for a revision in estimated project cost and funding from \$720,000.00 to \$805,000.00 (an \$85,000.00 increase) and acknowledgment of source of funding for **Greeneville Center Safety Corrections/Demolition** at Walters State Community College in Morristown, Tennessee.

Revised Estimated Project Cost: \$805,000.00
SBC Project No. 166/023-03-2008

East Tennessee State University, Johnson City, Tennessee

- 1) Approved the **Master Plan Update** at East Tennessee State University in Johnson City, Tennessee, as presented by Fisher + Associates.

Estimated Project Cost: \$300,000.00
SBC Project No. 166/005-02-2005

Discussion of Bids

- 1) **University of Memphis, Memphis**
(Music Building Stage Lift)
SBC Project No. 166/007-06-2009
Bid date: 04-28-2010
SBC Action: Referred to Subcommittee with authority to act
- 2) **Tennessee Technological University, Cookeville**
(Accessibility (ADA) adaptations)
SBC Project No. 166/011-05-1999
Bid date: 05-05-2010
SBC Action: Referred to Subcommittee with authority to act
- 3) **University of Memphis, Memphis**
(Parking Improvements)
SBC Project No. 166/007-07-2009
Bid date: 05-12-2010
SBC Action: Referred to Subcommittee with authority to act

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DEPARTMENT OF FINANCE AND ADMINISTRATION

11:45 a.m.

STATE LIBRARY AND ARCHIVES BUILDING, NASHVILLE, TENNESSEE

- 1) Approved a request to utilize the Best Value Alternative Delivery Method for **Roof Replacement** at State Library and Archives Building, Nashville, Tennessee.

Estimated Project Cost: \$950,000.00
SBC Project No. 529/043-02-2007

CLOVER BOTTOM MANSION, NASHVILLE, TENNESSEE

- 1) Approved a request to utilize the Best Value Alternative Delivery Method for **Exterior Renovation** at Clover Bottom Mansion, Nashville, Tennessee.

Estimated Project Cost: \$600,000.00
SBC Project No. 529/019-01-2007

DISCUSSION OF BIDS

- 1) **New Lick Creek Refuge**
(Workbase Building)
SBC Project No. 220/020-01-2008
Bid date: May 4, 2010
SBC Action: No action required
- 2) **Jackson Supreme Court Building**
(Mechanical Systems Upgrade)
SBC Project No. 523/073-01-2008
Bid date: May 5, 2010
SBC Action: No action required

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STATE BUILDING COMMISSION

MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Approved the Minutes of the State Building Commission meeting held on April 8, 2010.

REPORT OF CHANGE ORDERS RESULTING IN CUMULATIVE CHANGE ORDER COSTS TO EXCEED 10% OF BASE CONTRACT AMOUNT

- 1) Secretary Hargett began a discussion relative to the numbers and amount of change orders that are considered acceptable on a job. Mr. Fitts explained a 10% contingency is set aside for most projects and is generally accepted as the industry standard. He said that change orders are generated for numerous reasons, such as, it can be owner generated, contractor generated, State Fire Marshal response, unforeseen conditions, etc. He said the SBC rule requires that once change orders aggregate over 10%, it has to be reported to the SBC. Secretary Hargett asked what is to prevent someone from bumping up the standard 10% contingency. Mr. Fitts responded that the owner reviews all change orders which have been reviewed and recommended by the designers. He said the effort is to minimize change orders in the best interest of the State. Secretary Hargett asked, if life safety is common, why is that not known and addressed on the front end. Mr. Fitts responded that the Fire Marshal's review of construction may uncover a need that was not found during design. He added that the contractor is bidding on what is shown and change orders are outside what is shown. He said that change orders are generated for an extreme variety of reasons, i.e., some are driven by the State, conflict in the drawings, unforeseen conditions, etc.

Secretary Hargett asked Mr. Fitts if he can state with confidence that there is not an abuse in the system. Mr. Fitts replied that, from an overall perspective, that was true. He added that there are good, talented people at the Tennessee Board of Regents, University of Tennessee and Real Property Administration. There is a lot of attention given to this issue by staff and that is their professional vocation. Secretary Hargett asked Mr. Fitts if they could do a better job of capturing the savings. Mr. Fitts responded that, in their analysis, they try to consider if the change order is being spent because there is a true need or is it only because of the left over money. There is a tendency to include additional work because the contractor is onsite and it can be done quicker and cheaper by doing it then.

In response to questions regarding Tennessee Board of Regents projects, Dick Tracy stated that they submit documents to the State Fire Marshal's Office for their review, after which their field person comes out to the site and says certain things need to be done. He said that many times unforeseen conditions are developed in the field during the inspection by the SFMO which contribute to the need for a change order. Treasurer Lillard commented that the State budget is getting to the point that the amount of contingency that's left over in projects as a result of underbidding adds up. When you start totaling it up against all projects across the state, it's a lot of money in debt service if they're bond financed. Commissioner Goetz commented that they were checking every sofa for loose change. The Commission then accepted the report of change orders as presented.

- 1) **Tennessee State University**
(Clement Hall Allied Health Renovations)
Change Order No. 13
Contract Amount: \$1,189,929.00
Change Order Amount: \$19,854.02
Change Order Percent: 1.67
Cumulative Percent 20.35
SBC Project No. 166/001-05-2005

This adds fire dampers and chair rail; relocates lights and cabinets; modifies countertops, electrical, locker bases and copings.
- 2) **Austin Peay State University**
(Morgan University Center Renovations)
Change Order No. 6
Contract Amount \$266,862.00
Change Order Amount: \$873.91
Change Order Percent: 0.33
Cumulative Percent 10.01
SBC Project No. 166/003-06-2007

This adds a steel plate on both sides of stairs to close off unsafe gaps.
- 3) **University of Memphis**
(Fume Hood Replacements)
Change Order No. 5
Contract Amount: \$153,508.00
Change Order Amount: \$1,505.40
Change Order Percent: 0.98
Cumulative Percent 14.64
SBC Project No. 166/007-03-2004

This adds a supply duct.
- 4) **Tennessee Technological University**
(Campus-wide Elevator Upgrades)
Change Order No. 4
Contract Amount: \$660,000.00
Change Order Amount: \$54,940.23
Change Order Percent: 8.32
Cumulative Percent 17.50
SBC Project No. 166/011-01-2007

This adds alternate floor parking capability for all elevators during emergency recall operations as requested by the State Fire Marshal.
- 5) **Motlow State Community College**
(Library Building)
Change Order No. 11
Contract Amount: \$1,416,526.00
Change Order Amount: \$20,340.77
Change Order Percent: 1.44
Cumulative Percent 12.38
SBC Project No. 166/021-01-1992

This adds several safety devices and revisions to finishes as requested by the State Fire Marshal.

- 6) **Southwest TN Community College**
(Elevator Accessibility Corrections)
Change Order No. 2
Contract Amount: \$198,851.00
Change Order Amount: \$7,506.27
Change Order Percent: 3.77
Cumulative Percent 11.89
SBC Project No. 166/033-05-2005
- This adds removal of a damages internal cab canopy and replacement with a similar new canopy, and addition of an internal partition wall.
- 7) **University of Memphis**
(Recreation & Fitness Renovations)
Change Order No. 5
Contract Amount: \$479,000.00
Change Order Amount: \$17,854.23
Change Order Percent: 3.73
Cumulative Percent 17.80
SBC Project No. 166/007-03-2000
- This adds new controls for the pool equipment, removal and replacement of worn electrical wiring and rusted conduit, and an ADA chair lift.
- 8) **David Crockett State Park**
(New Cabins-Furnishings)
Change Order No. 1
Contract Amount: \$96,690.00
Change Order Amount: \$26,607.35
Change Order Percent: 27.52
Cumulative Percent 27.52
SBC Project No. 126/033-01-2006
- This adds additional cabin furnishings within the scope of the project.
- 9) **TDOT**
(Renovate Region 3 Offices/Garages)
Change Order No. 7
Contract Amount: \$1,795,080.00
Change Order Amount: \$5,113.33
Change Order Percent: .28
Cumulative Percent 12.07
SBC Project No. 247/000-01-2004
- Install additional roof purlins on the metal canopy located at the Gallatin and McEwen locations to meet wind load requirements.
- 10) **TDOT**
(Renovate Region 3 Offices/Garages)
Change Order No. 8
Contract Amount: \$1,795,080.00
Change Order Amount: \$28,980.29
Change Order Percent: 1.69
Cumulative Percent 13.69
SBC Project No. 247/000-01-2004
- Replace damaged water line and damaged oil/water separator tanks.

DESIGNER SELECTION LIST

- 1) Referred the designer selections to the Executive Subcommittee, with authority to act.

EXECUTIVE SUB-COMMITTEE REPORT

- 1) Report received of final action taken at the State Building Commission Executive Subcommittee meeting held on March 22, 2009.

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Commissioner Goetz acknowledged Mike Fitts' 45 years of service to the State. He said it had been an honor and pleasure working with him, and that they had accomplished some wonderful things on behalf of the State. Comptroller Wilson said, "Well done, good and faithful servant". Treasurer Lillard stated, on behalf of the Treasurer's office, he appreciated Mr. Fitts' dedication to the State, enjoyed working with him and wished him well in the future. Secretary Hargett thanked Mr. Fitts for his kindness and courtesy that was extended to him and his staff, and for the privilege of working with him.

Comptroller Wilson stated that, upon Mr. Fitts' retirement, he would like to ask Alan Robertson to serve as interim State Architect, pending further action. Commissioner Goetz said that it was his intent to appoint him. Comptroller Wilson responded that he thought the Commission did that. Commissioner Goetz said he wasn't sure about that, and he thought it was up for a legal determination, so they will work their way through it. Comptroller Wilson said that, in any event, they both wanted to do the same thing.

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There being no further action, the meeting adjourned at 12:13 p.m.

Approved by: _____

M.D. Goetz, Jr., Commissioner
Department of Finance and Administration